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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Internal Audit Executive

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November 22, 2009

Wes Tornow, Finance Director
Preferred Family Healthcare
900 E. LaHarpe
Kirksville, MO 63501

RE: Workforce Investment Act (WIA) (Project #2009-SLATE11)

Dear Mr. Tornow:

Enclosed is a report of the fiscal monitoring review of Preferred Family Healthcare, Inc.'s, a not-for-profit organization, WIA Program, for the period July 1, 2008 through March 31, 2009. The scope of a fiscal monitoring review is less than an audit and, as such, we do not express an opinion on the financial operations of Preferred Family Healthcare, Inc. Fieldwork was completed on August 25, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and, through an agreement with the City of St. Louis Agency on Training and Employment (SLATE), to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Michael Holmes, Executive Director - SLATE
Kim Neske, Fiscal Manager - SLATE



CITY OF ST. LOUIS

**ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
WORKFORCE INVESTMENT ACT (WIA)**

**PREFERRED FAMILY HEALTHCARE, INC.
CONTRACT #214-09
CFDA #17.259**

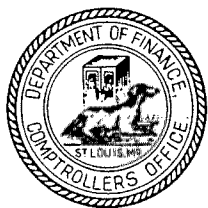
FISCAL MONITORING REVIEW

JULY 1, 2008 THROUGH MARCH 31, 2009

PROJECT #2009-SLATE11

DATE ISSUED: NOVEMBER 23, 2009

**Prepared By:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
WORKFORCE INVESTMENT ACT (WIA)
PREFERRED FAMILY HEALTHCARE, INC.
FISCAL MONITORING REVIEW
JULY 1, 2008 THROUGH MARCH 31, 2009

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INTRODUCTION

Background

Contract Name: Preferred Family Healthcare, Inc.

Contract Number: 214-09

CFDA Number: 17.259

Contract Period: July 1, 2008 through June 30, 2009

Contract Amount: \$97,165.00

Contract #214-09 provides Workforce Investment Act (WIA) funds to Preferred Family Healthcare, Inc. (Agency) to operate their youth substance abuse prevention program. The purpose of this program is to identify youth (ages 16-21) with substance abuse barriers, and to provide comprehensive substance abuse education, counseling, and/or treatment.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local SLATE requirements for the period July 1, 2008 through March 31, 2009, and make recommendations for improvements, as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by SLATE. Evidence was tested supporting the reports the Agency submitted to SLATE and other procedures were performed, as considered necessary. Fieldwork was completed on August 25, 2009.

Exit Conference

Since there were no current findings, an exit conference was not considered necessary.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency fully complied with federal, state and local SLATE requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2008-SLATE10, issued September 25, 2008, contained two observations:

1. Agency billed salaries and fringe benefits in excess of contract amount **(Resolved)**
2. Agency did not have a cost allocation plan **(Resolved)**

A-133 Status

The Agency expended \$500,000 or more in federal funds for the years ended June 30, 2008 and 2007; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The Agency's A-133 report, dated October 21, 2008, rendered unqualified opinions on the general purpose financial statements and regarding compliance with requirements applicable to major federal awards. No material weaknesses were disclosed. There were no reportable conditions and the Agency qualified as a low-risk auditee.

Summary of Current Observations

There were no current observations.